

Message Text

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PAGE 01 PEKING 00670 140226Z
ACTION EA-12

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C O N F I D E N T I A L PEKING 0670

E.O. 171652: GDS
TAGS: EIND ELAB SOCI CH
SUBJ: OBSERVATIONS IN TAIYUAN, SHANSI PROVINCE

1. SUMMARY. USLO OFFICER VISITING TAIYUAN ON MARCH 11-12 WAS TAKEN TO AN APPARENTLY FUNCTIONING BUDDHIST TEMPLE, A HEAVY MACHINERY FACTORY WHICH HAD ABOLISHED ITS REVOLUTINARY COMMITTEE AND INSTITUTED BONUSES, AND THE TAIYUAN STEEL PLANT WHICH STILL SEEMED TO BE OPERATING BELOW CAPACITY AND PLANS A TEN PERCENT INCREASE IN PRODUCTION THIS YEAR. THE CITY IS PLANNING FOR A JUMP IN TOURISM WHEN CHAIRMAN HUA'S BIRTHPLACE IS OPENED. NO POLITICALLY SIGNIFICANT POSTERS WERE VISIBLE. END SUMMARY.

2. USLO OFFICER VISITED RECENTLY-OPENED TAIYUAN ON MARCH 11-12 AND TOURED THE TA PEI TIAN (GREAT MERCY TEMPLE), THE TAIYUAN HEAVY MACHINERY PLANT AND THE TAIYUAN IRON AND STEEL COMPANY. AT TA PEI TIAN USLO OFFICER WAS INTRODUCED TO ONE OF THE TEMPLE'S FOUR MONKS AND THE SEPTAGENARIAN DEPUTY SECRETARY GENERAL OF THE SHANSI PROVINCIAL BUDDHIST SOCIETY. THE LATTER EXPLAINED THAT TAIYUAN HAS TWO FUNCTIONING BUDDHIST TEMPLES AND THAT THE BUDDHIST SOCIETY AS OVER 30 MEMBERS, THREE OF WHOM HAD BEEN DELEGATES TO THE 5TH CPPCC. THE MONK, WHOSE MORNING AND EVENING PRAYER READINGS ARE ANNOUNCED BY THE RINGING OF A LARGE BELL OUT-
CONFIDENTIAL

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PAGE 02 PEKING 00670 140226Z

SIDE THE TEMPLE, STATED THAT A FAIRLY LARGE NUMBER OF BELIEVERS VISIT THE TEMPLE, PARTICULARLY ON BUDDHIST HOLY DAYS.

3. THE TAIYUAN HEAVY MACHINERY PLANT, A LARGE SOVIET AID PROJECT EMPLOYING 12,000 WOKERS, ABOLISHED ITS REVOLUTIONARY COMMITTEE AND INSTITUTED A BONUS SYSTEM SHORTLY AFTER THE CLOSING OF THE 5TH NPC. BONUSES OF SOME 6-10 YUAN ARE AWARDED MONTHLY FOR

SUPERIOR CONTRIBUTIONS TO PRODUCTION. THE FACTORY HAD ALSO RECENTLY DISTRIBUTED A WAGE INCREASE TO 60 PERCENT OF THE WORK-FORCE. DESPITE THESE INCENTIVES, PRODUCTION APPEARED TO USLO OFFICER TO BE WELL BELOW CAPACITY AND WORKER PRODUCTIVITY TO BE VERY LOW, EVEN IN COMPARISON WITH OTHER CHINESE FACTORIES. PRODUCTION IN 1977 WAS REPORTED TO HAVE BEEN TWO AND ONE-HALF TIMES THAT OF 1976, A YEAR OF SERIOUS GANG OF FOUR SABOTAGE. MAJOR PRODUCTS INCLUDE POWER SHOVELS FOR MINING, STEEL ROLLING EQUIPMENT AND HEAVY METAL PRESSES.

4. THE TAIYUAN IRON AND STEEL COMPANY HAS NOT YET ABOLISHED ITS REVOLUTIONARY COMMITTEES AND HAS NO BONUS SYSTEM; BUT A WAGE INCREASE FOR 60 PERCENT OF ITS 50,000 WORKERS AND STAFF HAS BEEN DISTRIBUTED. WHEN VISITED, ONE OF THE PLANT'S TWO BASIC OXYGEN CONVERTERS WAS STONE COLD AND THE OTHER WAS SAID TO BE OPERATING AT LESS THAN CAPACITY. THE REASON GIVEN FOR THIS WAS THAT ONE OF THE PLANT'S BLAST FURNACES (A SMALLER ONE) WAS UNDER REPAIR. THE PLANT COMPLETED ITS PLAN IN 1977 AND THE 1978 PLAN CALLS FOR AN INCREASE OF "OVER TEN PERCENT." FACTORY OFFICIALS SAID THAT TAIYUAN HAS NO LONGER TERM (THREE OR EIGHT YEAR) PLAN.

5. TAIYUAN HAS AT LEAST TWO FAIRLY LARGE HOTELS AND NEITHER SEEMS TO BE HEAVILY OCCUPIED. NEVERTHELESS, THE CITY IS BUILDING ANOTHER HOTEL OF OVER TWENTY STORIES IN ANTICIPATION OF A MAJOR SURGE IN BOTH DOMESTIC AND FOREIGN TOURISM WHEN CHAIRMAN HUA'S HOMETOWN IS OPENED TO THE PUBLIC (PROBABLY SOON). A FRIENDSHIP
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PAGE 03 PEKING 00670 140226Z

STORE IS ALSO BEING PLANNED.

6. EXCEPT FOR BANNERS HAILING THE DECISIONS OF THE 5TH NPC AND THE RETURN OF SHANSI DELEGATES, THE CITY WAS DEVOID OF SIGNIFICANT POLITICAL POSTERS.

7. DETAILED REPORTS TO FOLLOW BY AIRGRAM.
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